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South Carolina House of Representatives

# Legislative Update

David H. Wilkins, Speaker of the House

Vol. 13

MARCH 5, 1996

No. 8

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## Legislative Update--March 5, 1996

### WEEK IN REVIEW

#### HOUSE

Representatives convened Monday, February 26th to begin debate on H. 4600. The \$4.4 billion dollar budget for fiscal year 1996-97 does not include any general tax or fee increases. Also not included in the spending plan is additional property tax relief. The House voted to continue the current level of relief so that no tax would be paid on the first \$100,000 of a home's value. Representatives penalized the 49 school districts which increased their millage last year by capping compensation at previous millage rates. The House also voted to limit the taxing authority of local governments in response to a state Supreme Court ruling which many believe expanded these powers. Under a provision in the budget, local governments could raise taxes only by a two-thirds vote (or three-fifths if the body has fewer than six members or more than twelve members). The spending plan authorizes local governments to impose an accommodations tax of up to three per cent, and a meal tax of up to one per cent. However, these two taxes combined could not be more than three per cent and the revenue would have to be spent on tourist-related projects such as roads and convention centers.

Also in the budget, state employees earning less than \$50,000 would receive a two per cent pay raise beginning October 16th. Those making more would get a \$1,000 raise from departmental savings if available. The measure also increases the salaries of correctional officers from \$15,000 to \$18,000. 45 additional highway patrol troopers would be hired and trained with \$2.7 million dollars derived from the sale of motor vehicle lists by the Department of Public Safety. The budget also provides that the proposed lease of the Medical University of South Carolina (MUSC) to Columbia/HCA Healthcare Corporation would have to be approved by the General Assembly. One proviso would shorten the legislative year by one month, so that the session would end on the second Thursday in May rather than the first Thursday in June. Another provision, relating to Operation Lost Trust, would prevent convicted felons elected to the General Assembly from receiving pay.

Education figured prominently in budget debate. About half of the \$4.4 billion dollar budget, or \$2 million dollars, goes toward education expenses from kindergarten to higher education. The spending plan provides nearly \$174 million dollars in additional revenue from the budget and other funding bills over the amount spent on education this fiscal year. The Education Finance Act (EFA) is fully funded using an inflation factor of 4.5%, and Education Improvement Act (EIA) funds increase by \$21 million dollars. Base student cost increase from \$1684 to \$1760, and weighted pupil units rises by 5,000 to 765,000. School districts receive \$32 million dollars in block grants based on weighted pupil units from the Local School Innovation Improvement Fund. An attempt to earmark \$55 million dollars for free all-day kindergarten for five year olds failed; however, \$10,000 to study the proposal and bring back recommendations to the General Assembly was adopted. Teachers received a 3.4% pay raise to meet the Southeastern average of \$32,688. The budget also provides for distribution of the Children's Education Endowment, also known as the "Barnwell money." Of the estimated \$100 million dollars in fees from low level radioactive waste disposal, \$70 million dollars goes toward construction/renovation of public schools. Under the distribution formula, sixty per cent of the money school districts receive would depend upon weighted pupil units. Forty per cent would be based on the EFA formula. The other



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\$30 million dollars of the "Barnwell money" funds higher education grants and scholarships. 82% of the money goes to public institutions, providing an estimated 6,150 needs-based grants averaging \$2,000 and 2,450 merit scholarships of \$5,000. The other 18% of the \$30 million dollars funds scholarships and grants at private institutions. Of the \$600 million dollars going toward higher education, \$12 million would be distributed to institutions based on the quality of their programs. On a related note, the House authorized Converse College to begin collecting the \$1.4 million dollars lawmakers set aside for its women's leadership program. The money had been contingent on a federal Supreme Court ruling, but under a provision in the budget would be given to Converse even if the ruling is not made by July 1, 1996. Special schools funding was increased by \$1 million dollars to \$6 million dollars. These schools help recruit new industry to the state by training prospective employees. Representatives also voted to decrease ETV's budget by \$1.7 million dollars in light of the Legislative Audit Council's recommendation that four regional stations in Beaufort, Rock Hill, Spartanburg, and Sumter should be eliminated. However, funding to restore that money to ETV's base is included in the surplus bill, **H. 4601**.

In addition to adopting a state spending plan, representatives also gave third reading to several bills. **S. 296** pertains to the disposal of unclaimed demands, savings, or matured time deposits held by a bank or other financial institution and considered abandoned. The bill raises the amount which must be reported to the State Tax Commission as abandoned from twenty-five dollars (\$25) to fifty dollars (\$50). The measure also provides uniform reporting requirements for both banks and insurance companies. **S. 597**, concerning hybrid striped bass processors, excludes restaurants which prepare and serve bass on site. **S. 1014** establishes a nine member panel to negotiate with the federal government for possession of a submerged Confederate submarine. The commission is charged with seeing that the Hunley remains on permanent display in the state. An amendment adopted by the House would keep the submarine's location from being disclosed under the Freedom of Information Act. These three bills were sent back to the Senate for concurrence in House amendments, which they received. They now are enrolled for ratification.

Several House-sponsored bills received third reading in the House and were sent to the Senate for consideration. **H. 4078** adds a new chapter to the law which regulates practices and agreements concerning nondramatic musical copyrights. The measure also authorizes civil remedies for violations and provides criminal penalties for violations. **H. 4444** exempts insurance agents selling pre-paid legal insurance from education and continuing education requirements regarding licensure. **H. 4544** provides that a printed copy of insurance records must be considered an original record for all purposes and treated as such in all courts or administrative agencies, regardless of whether the institution retains or disposes of the original. **H. 4648** approves a worker's compensation regulation which clarifies language, streamlines procedures, and eliminates unnecessary procedural steps. It also reduces paperwork while resulting in better recordkeeping.

Two other measures received second reading in the House last week. **S. 625** provides for the size and coloring of a poll watcher's badge. **S. 1044** requires that insurers maintain risk-based capital. Current statutory capital and surplus requirements are the same regardless of risks undertaken by insurers. This measure enacts formulas which can be used by the Department of Insurance to trigger needed regulatory actions for insurers with weak or deteriorating finances. The proposed legislation is need for continued accreditation of insurers in South Carolina.



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### SENATE

As Representatives included a local government tax cap in next year's budget, Senators debated piggybacking the issue onto **H. 3901**, a bill concerning the sale of real property to collect delinquent taxes. A proposal was made to limit local tax increases to the rate of inflation unless without a supermajority vote of two-thirds or three-fifths depending on the size of the tax body. Another provision in the amendment provides for a voter referendum to determine whether to raise the sales tax by a penny in order to eliminate property taxes altogether. The amendment also phases out income taxes paid by senior citizens, reduces those paid by small businesses, and lowers the depreciation rate for manufacturers. In addition, it provides an income tax credit for those earning less than \$15,000. Senators adjourned last week before voting on the amendment. Debate will continue this week.

Senators concurred with House amendments to three Senate-sponsored bills. **S. 296** pertains to the disposal of unclaimed demands, savings, or matured time deposits held by a bank or other financial institution and considered abandoned. The bill raises the amount which must be reported to the State Tax Commission as abandoned from twenty-five dollars (\$25) to fifty dollars (\$50). The measure also provides uniform reporting requirements for both banks and insurance companies. **S. 597**, concerning processors of hybrid striped bass, exempts restaurants which prepare and serve bass on site. **S. 1014** establishes a nine member panel to negotiate with the federal government for possession of a submerged Confederate submarine. The commission is charged with seeing that the Hunley remains on permanent display in South Carolina. An amendment adopted by the House would keep the submarine's location from being disclosed through the Freedom of Information law. These bills have been enrolled for ratification.

Many bills received third reading in the Senate last week. Several of these have been enrolled for ratification. **H. 3339** provides emergency workers control over an emergency scene until fire or law enforcement officials arrive. The measure also requires drivers traveling through an emergency scene to use caution or face penalties. **H. 3589** directs the Department of Public Safety to study whether legally elevated vehicles pose a safety hazard on our state's highways. **H. 3898** deletes the requirement that applications for certificates for watercraft and outboard motors must be sworn to before a notary public. **H. 4332** requires the use of approved bycatch reduction devices in shrimp trawls. **H. 4334** establishes requirements for commercial eel fishing and provides penalties for violations. **H. 4351** is the "Gift of Life Organ and Tissue Procurement Act of 1996." The measure establishes the Gift of Life Trust Fund, and provides for donations through an income tax check-off and contributions given when getting drivers' licenses. This bill is similar to **S. 935** which already has been adopted by the Senate and referred to the Ways and Means Committee. **H. 4398** requires retailers of transient or temporary businesses to keep records of the source of new merchandise. Violators, whose merchandise may be confiscated, may be fined up to five thousand dollars (\$5000) and imprisoned for up to sixty days for repeated offenses. Also, their sales tax license must be revoked after a third offense. **H. 4402** authorizes the Commission for Minority Affairs to solicit public and private funds for training, forums, and research. Unused funds could be carried over into fiscal year 1996-97 and used for the same purposes.

Other bills receiving third reading in the Senate last week were sent to the House for consideration. **S. 506** provides that a contractor cannot be held liable by employees of a subcontractor who declares fraudulently that he carries worker's compensation when he does not.

**S. 741** deletes the requirement that a professional land surveyor must have at least an associate's degree, and revises curriculum requirements. **S. 917** eliminates the thirty dollar (\$30) biennial fee

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for special license plates for members of the National Guard. **S. 1101** requires that members of voter registration boards, as well as election and registration commissions, receive training and certification from the State Election Commission. The measure also revises provisions concerning the appointment of managers and clerks. **S. 1102** provides that the absence of a witness' address on the oath and the envelope of an absentee ballot is not grounds to challenge that ballot. The bill also provides that an illiterate or handicapped voter may make his mark. **S. 1164** provides that a divorced, separated, or estranged parent who is heir to a child may have his entitlement denied or limited if the court determines that the parent has refused to reasonably support the decedent.

Two House-sponsored bills were given third reading but sent back to that body for concurrence in amendments. **H. 4054** provides that participants in Tech Prep or other structured school to work programs are covered by worker's compensation through the companies which train them. **H. 4365** prohibits denying a firefighter entry into an emergency medical technician course based on whether his department has an ambulance. The Senate amendment revises the composition of the Emergency Medical Services Advisory Council.

**S. 1092** received second reading in the Senate last week. The bill provides for a civil penalty not to exceed one thousand dollars (\$1000) for improperly storing or selling fireworks. An objection kept **S. 1190**, which provides a four hundred thousand dollar (\$400,000) loan to the Spoleto Festival to be repaid within three years, from receiving second reading.

Two bills were set for special order. **S. 1117** is the Public School Facilities Assistance Act. It establishes the formula to distribute \$70 million dollars in low level radioactive waste disposal fees to school districts for construction/renovation projects. The Senate bill promotes a formula based fifty per cent on need, twenty-five per cent on wealth, and twenty-five per cent on past effort. However, the formula adopted in the House budget is based sixty per cent on weighted pupil units and forty per cent on current funding from the Education Finance Act (EFA). The Senate allows borrowing against future revenue from disposal fees, while the House version does not. The other bill set for special order, **S. 1195**, defines the mission of higher education in South Carolina and gives more authority to the Commission on Higher Education.



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### **COMMITTEE ACTION**

Committees and subcommittees did not meet this week due to Budget debate on the House floor.

### **BILLS INTRODUCED**

#### **AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS**

##### **H. 4674 ANIMAL ABUSE/NEGLECT Rep. Harrison**

The bill makes several technical changes to animal cruelty laws, while including some new provisions. It provides that violations could be heard in municipal court as well as magistrate's court, and establishes that the provisions apply equally to fowl. In addition, the measure provides for what happens to animals when their owners are arrested.

##### **H. 4682 INFECTIOUS WASTE FEES Rep. Quinn**

Currently commercial treatment of infectious waste is taxed at thirty dollars (\$30) per ton. This bill would reduce the fee to eight dollars (\$8) a ton. The measure prohibits facilities from burning more than three thousand (3000) tons of infectious waste per month. Current limits are one-twelfth of the annual estimate. The bill also repeals the fee exemption for generators which treat their own waste, and requires on-site inspectors at commercial treatment facilities to be funded by fees. Also, the bill provides that no additional fees may be credited to the Infectious Waste Contingency Fund but requires existing funds be retained for the original use. It removes a provision that once the fund reaches five million dollars, one-thirds of all subsequent fees would continue to be credited to that fund but earmarked for specific counties, while the rest would be credited to the Hazardous Waste Contingency Fund.

#### **EDUCATION AND PUBLIC WORKS**

No bills were assigned to this committee last week.

#### **JUDICIARY**

##### **H. 4670 CHILD NEGLECT Rep. Allison**

This measure expands neglect provisions to include someone who resides with or who has been given responsibility to care for or supervise children or helpless persons.

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### **H. 4679 LIGHTS/SIREN ACTIVATION Rep. Neilson**

The bill requires a law enforcement official traveling fifteen miles an hour or more above the posted speed limit to activate his blue lights and siren.

### **H. 4683 BEER, WINE, AND ALCOHOL LICENSES Rep. Kelley**

This bill makes it illegal to consume or possess beer, wine, or alcohol in a private club which does not have a permit or license for on-premises consumption. Club managers who allow clients to violate this provision would be guilty of a misdemeanor and subject to a fine of not more than two hundred dollars (\$200) or imprisonment of not more than thirty days.

### **H. 4684 REAL PROPERTY TRANSFER FEES Rep. Felder**

Locally imposed real estate transfer fees would be prohibited and phased out under this bill except where specifically authorized by General Law. Cities, counties, school districts and special purpose districts could continue to collect these fees only through the end of their current fiscal year or January 1, 1997.

### **H. 4692 SELF-STORAGE FACILITIES Rep. Keegan**

Concerning liens on personal property stored at these facilities, the measure deletes the provision that the owner must make a detailed inventory of the personal property subject to the lien. It provides that personal property may be disposed of through a public sale fifteen days, rather than the current fourteen days, after delivery of a certified notification letter. The bill also deletes the requirements that the sale must be advertised in a local newspaper, and that the owner must notify other parties with superior liens or security interests as defined in the rental agreement.

### **S. 1101 VOTER REGISTRATION TRAINING Sen. Holland**

This bill provides that members of voter registration boards, as well as election and registration commissions, must complete successfully training and certification conducted by the State Election Commission. The measure also revises provisions concerning the appointment of managers and clerks.

### **S. 1102 ABSENTEE BALLOTS Sen. Holland**

Currently absentee ballots must have the witness' address appear on both the oath and the envelope. The bill provides that the absence of the witness' address in either of these two places is not grounds to challenge the absentee ballot. The measure also provides that an illiterate or handicapped voter may make his mark and have it witnessed.

### **S. 1164 PARENTS AS HEIRS Senate Judiciary Committee Bill**

This measure provides that a divorced, separated, or estranged parent who is heir to a child may have his entitlement denied or limited if the court determines that the parent has refused to reasonably support the decedent.



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### LABOR, COMMERCE, AND INDUSTRY

#### **H. 4671 "HEALTH CARE CLAIM RECOVERY ACT" Rep. Seithel**

To ensure that medical bills are paid, this bill allows providers of medical care to place a lien upon sums which the patient may recover in compensation for or settlement of personal injury.

#### **H. 4673 PREPAID LEGAL INSURANCE DEDUCTIONS Rep. Sharpe**

This bill allows state employees to have deducted from their compensation payment for prepaid legal insurance premiums.

#### **H. 4675 "SOUTH CAROLINA BANKING AND BRANCHING EFFICIENCY ACT" Rep. Cato**

This bill regulates the ways in which the state's banks may effect merger transactions with out-of-state banks and operate branches outside the state. Procedures and conditions are established for out-of-state banks operating branches within this state.

#### **S. 66 BUILDING CODES Sen. McConnell**

This bill requires all counties and municipalities to adopt building codes, alters the membership of building code councils, defines duties for fire marshals enforcing the codes, and revises penalties for violations. The bill provides for building code enforcement officers with funding for the new positions derived from the first \$250,000 of the premium tax levied on fire insurers.

#### **H. 4685 INSURANCE CONTRACTS FOR LEGAL SERVICES Rep. Sharpe**

This bill requires that insurance contracts for legal services must provide the right of an attorney of choice.

#### **H. 4686 "SOUTH CAROLINA CREDIT UNION ACT" Rep. Hodges**

This bill regulates the organization, operation, and supervision of cooperative nonprofit thrift and credit associations known as credit unions.

#### **H. 4694 TELECOMMUNICATIONS Rep. Harrison**

This bill responds to federal restructuring of the telecommunications industry, taking steps to ensure that basic local residential services are provided in all areas at reasonable rates in the deregulated marketplace. Among other things, the bill establishes the universal service fund into which all telecommunications companies will contribute based upon their intrastate gross revenues and out of which funds shall be distributed to carriers where the cost of providing basic local exchange phone services exceeds the maximum price permitted.

#### **S. 506 WORKERS' COMPENSATION FOR SUBCONTRACTORS Sen. Saleeby**

This bill pertains to a subcontractor who represents himself as having workers' compensation insurance to a contractor at the time when he is engaged to perform work for that contractor. In the event that the subcontractor should be uninsured and have employees making workers' compensation claims, this bill directs the contractor or his insurance carrier to pay all awards of compensation and medical benefits for the employees of the subcontractor. The contractor would then be reimbursed from the state's Uninsured Employers' Fund.



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### **S. 741 LAND SURVEYOR'S QUALIFICATIONS Sen. J. Verne Smith**

This bill increases academic requirements for registration as a land surveyor. A professional land surveyor would have to have a masters degree from a two or more year institution with an accredited curriculum. A Tier B land surveyor would have to have fifteen rather than twelve semester hours in required courses. A land surveyor-in-training would have to have twelve semester hours in required courses.

## **MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

### **H. 4677 AIDS SCREENING FOR PRIZE FIGHTERS Rep. Limehouse**

As a condition for participating in a match, this bill requires a boxer or other prize fighter to submit a physician's certificate stating that he is free of the Human Immunodeficiency Virus (HIV) and the Acquired Immunodeficiency Syndrome (AIDS).

## **WAYS AND MEANS**

### **H. 4672 REASSESSMENT OF RESIDENTIAL PROPERTY Rep. Inabinett**

This bill provides a limit on reassessment increases in fair market values of residential property owned continuously by the same owner or his spouse. The measure would be retroactive with no provisions made for refunds.

### **H. 4676 BINGO Rep. Kirsh**

The measure revises the definition of "nonprofit organization" as it relates to bingo laws to specify that the organization must be organized and operated exclusively for charitable, religious, fraternal purposes.

### **H. 4678 RECREATIONAL VEHICLES AS RESIDENCES Rep. Neilson**

The bill provides that a recreational vehicle for which the federal government allows an income tax deduction as a primary or secondary residence may be considered by this state as real not personal property and taxed as such.

### **H. 4681 BUSINESS DEVELOPMENT CORPORATIONS Rep. Koon**

Under provisions of this bill, business development corporations and their securities would be exempt from income taxation and corporate license tax or fees. Currently these corporations can borrow money only from the Small Business Administration. The measure permits the borrowing of money from lending sources approved by the corporation's board of directors. In addition, it deletes the provision that such loans must bear interest at a rate of not less than one quarter of one percent in excess of the prime rate.

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### **H. 4688 OWNER-OCCUPIED RESIDENTIAL PROPERTY Rep. Fulmer**

The measure provides that the assessed value of owner-occupied residential property may not increase more than inflation rate since the prior reassessment as long as the property is owned by the same person or spouse. If such property is owned by someone eligible for the Homestead Exemption, the assessed value could not be increased while the same person or spouse owns the property. Upon transfer of the property, it would be assessed at fair market value. The bill also provides that the assessed value of property which has been owned continuously by the same person since 1992 could not increase more than one hundred per cent of the 1992 assessed value. No refunds would be given for prior years' property taxes as affected by this measure.

### **S. 1163 COMMISSION FOR MINORITY AFFAIRS Sen. Drummond**

Similar to H. 4402, the joint resolution provides that the Commission for Minority Affairs may solicit public and private funds for research, training, and forums. Unused revenue could be carried over into fiscal year 1996-97 for the same purposes.



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### **FOOTNOTE**

The Legislative Update is now on-line! Members and staff who are on the network may access documents by pressing "List Files(F5)," then typing "H:\UPDATE" and pressing "enter." All of the Legislative Updates will be listed by week. Using up/down arrows, choose the Update corresponding to the week you need and press "enter."

Also, the Legislative Update can be found on the World Wide Web! Visit the South Carolina General Assembly Home Page ([WWW.LPITR.STATE.SC.US](http://WWW.LPITR.STATE.SC.US)) and click on the "Quick-Find Guide." On the next screen, click on "Reports." This will list all of the Legislative Updates by week. Click on the week you need.

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